been allotted at BPL rates for employment generation through Food for Work in the drought affected areas. The Government of India has allotted 5 lakh tonnes of foodgrains to Chhattisgarh, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa and Rajasthan on 12.1.2001 free of cost for organizing employment generation programmes in these States.

Black marketing of foodgrains meant for PDS

†149. SHRI RAJIV RANJAN SINGH 'LALAN':
SHRI KAPIL SIBAL:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that due to considerable shortcomings in the present Public Distribution System, substantial quantum of foodgrains to be sold under this system is being in black market;

(b) if so, the details of the enquiry report, if any, in this regard;

(c) whether Government have taken any steps to stop this malpractice by introducing comprehensive reforms in this system; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) and (b) Public Distribution System (PDS) is an operation of vast magnitude involving large number of agencies under the joint responsibility of the Central and the State Governments. As such offences committed by some functionaries owing to temptations of easy black money cannot be ruled out. Tata Economic Consultancy Services (TECS) was engaged in the year 1997 for a study to assess the extent of diversion of foodgrains, sugar and edible oil under PDS. The diversion is estimated at 36% in case of wheat and 31% in case of rice.

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†Original notice of the Question was received in Hindi.

The major causes of diversion cited in the study are bulk diversion from godowns, bogus units in ration cards, underweighment at various levels, illiteracy of consumers, low profit margins for Fair Price Shops (FPS) owners, floating populations, fictitious distribution agencies, non-availability/irregular supply and variation in entitlement and inferior quality with foreign particles.

(c) and (d) Public Distribution System is implemented under the joint responsibility of the Central and State Governments/UT Administrations. The Central Government is responsible for procurement, storage and transportation of the PDS commodities up to the Central godowns and making them available to the States. The responsibility for distribution to the consumers through the Fair Price Shops and administration of the PDS rests with the State Governments and UT Administrations. State Governments have been requested to closely monitor PDS at the Fair Price Shops (FPSs) and other levels and to make arrangement for distribution of the PDS commodities in a transparent and accountable manner by involvement of Panchayati Raj Institutions (PRIs). They have also been asked to eliminate bogus ration cards and initiate action against erring FPS owners under Section 3 of Essential Commodities Act, 1955.

The Government of India have set up Public Grievances' Redressal Cell in the Department of Public Distribution to attend to the complaints relating to any aspect of the Department's functioning including the Public Distribution System. In order to attend to public complaints on priority, the Department has also designated the senior officers of the Department as members of flying squad for conducting immediate and prompt enquiry whenever the need for it is felt. The Government of India also has appointed Area Officers to States/UTs to monitor the functioning of Public Distribution System including the complaints of diversion.